

Inquiry into the Jobs and Skills Australia Amendment Bill 2023

**Submitted to the Senate
Education and Employment Committee**

On behalf of Jobs Australia Ltd

11 April 2023



ABN: 17007263916

Contents

1. About Jobs Australia.....	3
2. About this Submission.....	3
3. Inquiry into the Jobs and Skills Australia Amendment Bill 2023.....	3
4. Executive Summary.....	4
5. Submission.....	5
6. Conclusion.....	8

Contact

Debra Cerasa
Chief Executive Officer
Jobs Australia Limited

Trudy Thorne
Representation and
Engagement Coordinator
Jobs Australia Limited

Jobs Australia acknowledges the traditional owners of country throughout Australia and their continuing connection to land and community. We pay our respects to them and their cultures, and to the elders both past and present.

Please consider the environment before printing this mail

1. About Jobs Australia

Jobs Australia is a national organisation that supports the largest network of Not for Profit (NFP) Members who provide diverse employment services and pathways, education, training and skills development, and community and social services.

We are the Peak Body for NFP employment services providers including those organisations providing employment pathway programs.

We are funded solely by our Members allowing us to represent them with real insight by activating and amplifying their collective and independent voice.

<https://www.ja.com.au/>

2. About this Submission

The views expressed in this submission are the views of Jobs Australia. While our views are informed by our consultations and meetings with our Members, they should not be taken to be the views of any individual Provider or group of Providers.

3. Inquiry into the Jobs and Skills Australia Amendment Bill 2023

The federal government is now enacting legislation, the Amendment to the Jobs and Skills Bill, to put in place Jobs and Skills Australia's full functions. In summary, the amendment covers two principle areas.

- I. The structure of the Advisory Board to provide for the permanent governance arrangements.
- II. The functions of the Advisory Board, a statutory body within the Department of Employment and Workplace Relations (the Department), supported by staff of the Department, but independently providing advice.

The amendments reflect the consultation undertaken with stakeholders. They will ensure that Jobs and Skills Australia (JSA) is supported by appropriate governance and advisory mechanisms so that the VET, higher education, and workforce needs of all participants in the Australian economy are at the forefront when the Government is considering workforce, employment and education policies and programs.

In providing advice, and undertaking research and analysis, Jobs and Skills Australia will have regard to the many systems that contribute to a well-functioning labour market and their impact on it, including employment, skills and training, education, workplace relations, and migration.

4. Executive Summary

The establishment of the JSA Advisory Body, demands the necessary care and attention to ensure this matter of historical significance is fully resolved.

In 2002, the Howard government ordered an inquiry into skills shortages, labour demand and education requirements to equip the economy for the new millennium. Twenty years later, however, and the exact same dilemma is still apparent.¹

The impact of globalisation on the Australian labour market has been complex and multifaceted, with both positive and negative effects. While globalisation has led to increased competition and downward pressure on wages in some industries, it has also created new job opportunities and increased demand for skilled workers in others. Additional layers of stress created by the effects of COVID-19 on the employment environment have also contributed to a slowing of available qualified labour.

With the high numbers of long-term unemployed (over 200,000)² and the high level of vacancies, there remains a structural mismatch between the capability of these job seekers and the available jobs. The less job ready unemployed Australians must be woven into the solution for skills shortages. A different and smarter integration of meeting the needs of employment service providers, training organisations, employers and job seekers must be found to better benefit the economy as a whole.

A permanent Body in JSA to ensure progression beyond a reactionary and inconsistent response is a long-awaited solution. A wide lens on all contributing factors which encompasses the entire working population including minority groups is now a necessity.

¹ ABC The great skilled worker shortage crisis and how to solve it. Mon 19 Apr 2021

² Australian Bureau of Statistics

5. Submission

Structure of the Advisory Board

The employment and labour market landscape is a dynamic and highly variable space to operate within. Dependent and responsive to multiple factors outside the control of local economies and reactive to global issues, the Australia labour market is not adequately meeting the demands of either employers or unemployed persons.

The mismatch between the two arises from complex intersecting issues which the government is addressing through the establishment of JSA.

JSA will be well placed to investigate the volatility of the market and anticipate the trends in emerging jobs. The Jobs and Skills Bill recognises that there is a strong need for stakeholder involvement in this process and the breadth of input required to be fully informed. The inclusion of members representing the States and Territories, employee organisations, employer organisations and the addition of not more than four other members on the Advisory Board is welcomed by Jobs Australia (JA).

The structure of the Board must also take into consideration the labour supply chain and the organisations that work closely with and support job seekers.

The case for NFP Representation on the Advisory Board

As a Peak Body that represents a broad spectrum of Members, JA is advocating that JSA takes into consideration the appointment of an organisation that represents the NFP Sector which is emerging as pivotal in addressing issues of unemployment and are best placed to support job seekers. Increasing diversity in representation will ensure that the Board is better equipped to identify and address the needs and concerns of different groups within the working economy.

- NFP providers embedded in their local communities are well positioned to bring together community organisations, industry groups, training organisations and employers to address the employment needs of a particular community. NFP's also have the advantage of being able to harness significant volunteer input.
- Assisting the disadvantaged is embedded into the fabric and mission of NFP's, so they are more likely to achieve lasting solutions for the most disadvantaged and long-term unemployed. NFP's have continuity and longevity in their communities and can build trust with employers, support services and training organisations to invest in the unemployed.

Including the Supply Chain

Employer and Employee organisations and government are represented on the proposed Ministerial Advisory Board as they should be. What is also required is representation from the service providers.

An effective way of including a wide spectrum of NFPs across several sectors is by appointing a Peak Body to the Board. Peak Bodies working across multiple organisations and one which supports the employment supply chain would be greatly beneficial. They will provide insight into job seeker barriers to entering the labour market and service providers issues in accessing the labour market including the “gate keeper” barriers.

Board Functions

Jobs Australia is supportive of the current functions of the Board to be included in the amendment, however feedback from membership indicates that the functions could be enhanced by increasing representation in diversity and inclusion and also address the changing work environment to include how flexibility can be built into the labour market.

Diversity

The Peak Body - Australian Network on Disability (JA Member)³ has expressed failure of existing employment and training options to improve the employment rates for people with a disability over the last 20 years as a serious issue not just for people with a disability but also the Australian economy. We need new approaches and JSA has the opportunity to address the issues. What is needed is a whole of community approach. To do so effectively will require expert input from all stakeholders in the disability, employment, and training sectors. Jobs Australia is a Peak Body that best represents all these sectors and their inclusion on the Advisory Board would strengthen the advice and policy development of JSA.

Flexibility

Research into flexible working hours should be a focus of the Advisory Board and be included as one of the Board functions. Addressing the issues of the modern work day and work life balance in today’s employment environment is vital. A redesign of the work day or more hybrid options of working is a current issue now being experienced as evidenced by the pandemic and employees demanding options on where and when to work.

³ The Australian Network on Disability (AND) is a national, membership based, for-purpose organisation that supports organisations to advance the inclusion of people with disability in all aspects of business.

Gig Economy

New and innovative ways of work are exploding, not always to the benefit of the economy and individuals. The rapid growth and dominance of on-demand, short-term employment has exposed a lack of regulations to protect workers and the reluctance of employers to be held responsible for staff welfare. Research by the Board to advise JSA on this issue should be made a priority.

Employers

Research and analysis on high expectations and requirements of candidates by employers and its possible contribution to negatively impact the labour market is recommended. Feedback from employment service providers regarding employer requirements, indicates that employers have increased their demands for extensive qualifications and experience, even for entry-level or junior positions. This can result in a lack of diversity in the workforce, perpetuate inequality, and hinder social mobility. Additionally, this practice can exacerbate the issue of "experience paradox," where job seekers struggle to gain experience due to lack of job opportunities, leading to a catch-22 situation. It can also disproportionately impact marginalised groups, who may face additional challenges in accessing education and experience opportunities.

Referral to the Board

Jobs Australia's Members deliver services across the full suite of programs within Workforce Australia Employment Services, Disability Employment Services (DES), Community Development Program (CDP) and NDIS. JA's Member organisations represent education and training providers which include RTO's, GTO's and AASNs as well as multilevel employment pathways via disability services organisations, social enterprises, and community organisations. JA membership also includes other Peak Bodies, which increases the reach of the organisation.

JA's presence on the Advisory Board would bring a unique perspective to the discussions and decisions made about employment and skills development in Australia realising several benefits:

- **Industry knowledge and expertise:** JA has a wealth of knowledge and expertise in the employment services industry, having worked with employment services and training providers for many years. This experience will be invaluable to JSA in identifying emerging skills needs and developing strategies to address skills shortages.
- **Enhanced collaboration and engagement:** The appointment of JA to the JSA advisory Board would enhance collaboration and engagement between the government, employment services providers, and other stakeholders in the employment sector. JA can provide valuable insights into the challenges and opportunities faced by employers, and how the education and training system can better meet the needs of the labour market.

- **Better policy development:** With JA's input, JSA can develop more effective policies that address the needs of job seekers, employers, and the broader community. This can include policies that improve job opportunities, increase workforce participation, and promote lifelong learning and upskilling.
- **Improved employment outcomes:** Ultimately, the appointment of JA to the JSA Advisory Board can lead to improved employment outcomes for job seekers and employers alike. By working together, JSA and JA can develop strategies that promote job creation, skills development, and workforce participation, leading to a stronger and more resilient economy.
- **Enhancing communication:** The Board will need to communicate more effectively with job seekers and other stakeholders to ensure they are aware of the JSA program and the support available. JA's existing relationships and communication channels would greatly enhance these communications.
- **Promoting diversity and inclusion:** The Board can also work to promote diversity and inclusion in the labour market. This would involve encouraging employers to adopt inclusive hiring practices and promoting the hiring of underrepresented groups.

6. Conclusion

In conclusion, the Amendment to the Jobs and Skills Bill is a step in the right direction towards addressing the skills shortage and labour demand issue that has persisted in the Australian economy for two decades. Ultimately, a collaborative effort is needed. The establishment of Jobs and Skills Australia, supported by an Advisory Board, will ensure appropriate governance and advisory mechanisms are in place to address the needs of VET, higher education, and the workforce.

The inclusion of stakeholders and a broad range of perspectives on the Advisory Board, including employee and employer organisations, the states and territories, and the inclusion of a Peak Body representative from the NFP sector, will ensure a diverse and inclusive approach to addressing employment and skills development in Australia.

Jobs Australia's membership organisations bring unique industry knowledge and expertise to the discussions, highlighting the benefits of a permanent and proactive approach to addressing the issue of employment and skills development in Australia. The establishment of a permanent body to ensure consistent and strategic planning is a long-awaited solution, and the government's recognition of the need for stakeholder involvement is welcomed.